

**Before The
FEDERAL COMMUNICATIONS COMMISSION
Washington, D. C.**

In the Matter of)	
)	
Application of ALLTEL Communications, Inc.)	
)	Docket No. 96-45
)	FCC 97-419
For Designation as an Eligible)	
Telecommunications Carrier Pursuant To)	
Section 214(e)(6) of the Communications)	
Act of 1934)	

**APPLICATION OF ALLTEL COMMUNICATIONS, INC. FOR DESIGNATION
AS AN ELIGIBLE TELECOMMUNICATIONS CARRIER
IN THE STATE OF NORTH CAROLINA**

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August 26, 2003

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**APPLICATION OF ALLTEL COMMUNICATIONS, INC. FOR DESIGNATION
AS AN ELIGIBLE TELECOMMUNICATIONS CARRIER
IN THE STATE OF NORTH CAROLINA**

ALLTEL Communications, Inc., on behalf of itself and its wholly-owned and controlled licensee affiliates (“ALLTEL”), and pursuant to Section 214(e)(6) of the Communications Act of 1934, as amended (the “Act”), hereby petitions the Commission for designation as an Eligible Telecommunications Carrier (“ETC”) throughout its licensed service area in the State of North Carolina. As demonstrated below, ALLTEL meets all the statutory and regulatory prerequisites for ETC designation, and ALLTEL’s designation will serve the public interest.

I. ALLTEL’s Universal Service Offering.

ALLTEL is the licensee authorized to provide cellular mobile radio telephone service in the following Cellular Market Areas: 280, 166, 218, 149, 43, 47, 71, 61, 258, 566, 568, 569, 570, 571, 572, 573, 574, 575, 576, 577, 578, and 579. ALLTEL intends to obtain high cost loop support funding in both rural and non-rural areas to speed the delivery of advanced wireless services to the citizens of North Carolina. As an ETC, ALLTEL will also offer a basic universal

service package to subscribers who are eligible for Lifeline support. ALLTEL's service offering will be competitive with those of the incumbent local exchange carriers ("LECs").

ALLTEL currently provides all the services and functionalities supported by the federal universal service program set forth in Section 54.101(a) of the Commission's rules throughout its cellular service area in the State of North Carolina. Upon designation as an ETC, ALLTEL will make available to consumers a universal service offering over its cellular network infrastructure, using the same antenna, cell-site, tower, trunking, mobile switching, and interconnection facilities used by the company to serve its existing cellular service customers.

II. ALLTEL Satisfies All the Statutory and Regulatory Prerequisites for Designation as an ETC.

ALLTEL satisfies each of the elements enumerated by the Commission for ETC designation pursuant to Section 214(e)(6) of the Act as set forth in the FCC's *Section 214(e)(6) Public Notice*.¹

A. The North Carolina Utilities Commission Has Provided an Affirmative Statement That It Does Not Regulate CMRS Carriers.

As a CMRS carrier, ALLTEL is entitled to seek designation as an ETC.² Section 254(e) of the Act provides that "only an eligible telecommunications carrier designated under section 214(e) shall be eligible to receive specific federal universal service support." Pursuant to 47 U.S.C. § 214(e)(6) of the Act, the Commission may, upon request, designate as an ETC "a common carrier providing telephone exchange service and exchange access that is not subject to the jurisdiction of a state commission."

¹ FCC Public Notice, *Procedures for FCC Designation of Eligible Telecommunications Carriers Pursuant to Section 214(e)(6) of the Communications Act*, 12 FCC Rcd 22947 (1997) ("*Section 214(e)(6) Public Notice*").

² See *Federal-State Joint Board on Universal Service*, First Report and Order, 12 FCC Rcd 8776, 8858-59, ¶145 (1997) ("*First Report and Order*").

In the *Section 214(e)(6) Public Notice*, the Commission established that a carrier must demonstrate it “is not subject to the jurisdiction of a state commission.”³ In its *Twelfth Report and Order*, the Commission stated that where a carrier provides the Commission with an “affirmative statement” from the state commission or a court of competent jurisdiction that the state lacks jurisdiction to perform the designation, the Commission would consider requests filed pursuant to 214(e)(6).⁴

On July 29, 1995, the North Carolina General Assembly passed House Bill 941 that amended Chapter 62 of the North Carolina General Statutes. The relevant amendments were a new G.S. 62-3(23)j, and a repeal of Article 6A consisting of G.S. 62-119 through G.S. 62-125 dealing with radio common carriers.

G.S. 62-3(23)j reads as follows:

j. The term “public utility” shall not include any person, not otherwise a public utility, conveying or transmitting messages or communications by mobile radio communications service. Mobile radio communications service includes one-way or two-way radio service provided to mobile or fixed stations or receivers using mobile radio frequencies.

In response to the actions of the General Assembly, the North Carolina Utilities Commission (“NCUC”) issued an Order in dockets P-100, Sub 114 and P-100, Sub 124. The NCUC Order found that G.S. 62-3(23)j removed from the NCUC’s jurisdiction cellular services, radio common carrier services, personal communications services, and such other services which now or in the future constitute a mobile radio communications service.

On May 1, 2003, ALLTEL Communications, Inc. filed a Petition with the NCUC seeking an affirmative declaratory ruling from the NCUC that it lacked jurisdiction to designate CMRS

³ *Section 214(e)(6) Public Notice*, 12 FCC Rcd at 22948.

⁴ *Federal-State Joint Board on Universal Service; Promoting Deployment and Subscribership in Unserved and Underserved Areas, Including Tribal and Insular Areas*, Twelfth Report and Order, and Further Notice of Proposed Rulemaking, 15 FCC Rcd 12208, 12264 (2000).

carriers as ETCs for purposes of receiving federal universal service support. By Order issued June 24, 2003, the NCUC found that it lacked jurisdiction over CMRS services and that the appropriate venue for designation of ETC status for such services is with the FCC. A copy of the NCUC Order is attached to this application as Exhibit B.

B. ALLTEL Offers All of the Services Supported By the Federal High-Cost Universal Service Program.

In order to be designated as an ETC, a carrier must be a common carrier and both offer and advertise the supported services throughout the designated service area.⁵ The FCC has identified the following services and functionalities as the core services to be offered by an ETC and supported by federal universal service support mechanisms:⁶

1. Voice-grade access to the public switched telephone network;
2. Local Usage;
3. Dual-tone, multi-frequency (“DTMF”) signaling, or its functional equivalent;
4. Single-party service or its functional equivalent;
5. Access to emergency services;
6. Access to operator services;
7. Access to interexchange service;
8. Access to directory assistance; and
9. Toll limitation for qualifying low-income consumers.

The *Section 214(e)(6) Public Notice* requires a carrier to certify that it provides each of the supported services, or where appropriate, functionally equivalent services.⁷ As shown below

⁵ 47 U.S.C. §214(e)(1).

⁶ See 47 C.F.R. § 54.101(a).

⁷ *Section 214(e)(6) Public Notice*, 12 FCC Rcd at 22948.

and in the Declaration attached as Exhibit A hereto, ALLTEL currently provides, or will provide upon designation, each of the required services.

1. Voice-grade access to the public switched telephone network:

The FCC concluded that voice-grade access means the ability to make and receive phone calls, within a bandwidth.⁸ ALLTEL meets this requirement by providing voice-grade access to the public switched telephone network. Through its interconnection arrangements with LECs, each of ALLTEL's subscribers is able to make and receive calls on the public switched telephone network within the specified bandwidth.

2. Local Usage:

ETCs must include local usage beyond providing simple access to the public switched network as part of a universal service offering. The FCC has not quantified a minimum amount of local usage required to be included in a universal service offering, but has initiated a separate proceeding to address this issue.⁹ As it relates to local usage, the NPRM sought comments on a definition of the public service package that must be offered by all ETCs. Specifically, the FCC sought comments on how much, if any, local usage should be required to be provided to customers as part of a universal service offering.¹⁰ In the *First Report and Order*, the FCC deferred a determination on the amount of local usage that a carrier would be required to provide.¹¹ Any minimum local usage requirement established by the FCC as a result of the *October 1998 NPRM* will be applicable to all designated ETCs, not simply wireless service

⁸ *First Report and Order*, 12 FCC Rcd at 8810-11.

⁹ *See Federal and State Joint Board on Universal Service*, Memorandum Opinion and Order and Further Notice of Proposed Rulemaking, 13 FCC Rcd 21252 (1998) ("*October 1998 NPRM*").

¹⁰ *Id.* at 21277-81.

¹¹ *First Report and Order*, 12 FCC Rcd at 8812. *See also*, *Western Wireless Corporation*, 16 FCC Rcd 48, 52-53 (2000), *aff'd*, 16 FCC Rcd 19144 (2001); *Cellco Partnership*, 16 FCC Rcd 39, 42 (2000).

providers. ALLTEL will comply with any and all minimum local usage requirements adopted by the FCC. ALLTEL will meet the local usage requirements by including local usage plans as part of a universal service offering.

3. Dual-tone, multi-frequency (“DTMF”) signaling, or its functional equivalent:

DTMF is a method of signaling that facilitates the transportation of call set-up and call detail information. Consistent with the principles of competitive and technological neutrality, the FCC permits carriers to provide signaling that is functionally equivalent to DTMF in satisfaction of this service requirement.¹² ALLTEL currently uses out-of-band digital signaling, and ALLTEL therefore meets this requirement.

4. Single-party service or its functional equivalent:

“Single-party service” means that only one party will be served by a subscriber loop or access line in contrast to a multi-party line.¹³ The FCC concluded that a wireless provider offers the equivalent of single-party service when it offers a dedicated message path for the length of a user’s particular transmission.¹⁴ ALLTEL meets the requirement of single-party service in this manner.

5. Access to emergency services:

The ability to reach a public emergency service provider by dialing 911 is a required service in any universal service offering. Phase I E911 includes the capability of providing both automatic numbering information (“ANI”) and automatic location information (“ALI”), but is only required if a public emergency service provider is capable of both receiving and utilizing the data and has made arrangements with the carrier for the delivery of the data.¹⁵ ALLTEL

¹² 47 C.F.R. §54.101(a)(3).

¹³ *First Report and Order*, 12 FCC Rcd at 8810.

¹⁴ *Id.*

¹⁵ *Id.* at 8815-17.

currently provides its subscribers with access to emergency services by dialing 911 in accord with this requirement. It either provides, or will provide Phase I (and Phase II) E-911 services in accord with the E-911 deployment schedules agreed to by ALLTEL and the local or other governmental emergency service providers.

6. Access to operator services:

Access to operator services is defined as any automatic or live assistance provided to a consumer to arrange for the billing or completion, or both, of a telephone call.¹⁶ ALLTEL meets this requirement by providing all of its subscribers with access to operator services provided by either the Company or other entities (*e.g.* LECs, IXC, etc.)

7. Access to interexchange service:

A universal service provider must offer consumers access to interexchange service to make and receive toll or interexchange calls. Equal access, however, is not required. “The FCC do[es] not include equal access to interexchange service among the services supported by universal service mechanisms.”¹⁷ ALLTEL presently meets this requirement by providing all of its customers with the ability to make and receive interexchange or toll calls through direct interconnection arrangements between the Company and several IXCs. Additionally, customers are able to reach their IXC of choice by dialing the appropriate access code or dial-around number.

¹⁶ *Id.* at 8817-18.

¹⁷ *Id.* at 8819.

8. Access to directory assistance:

The ability to place a call to directory assistance is a required service offering.¹⁸ ALLTEL meets this requirement by providing all of its customers with access to directory assistance by dialing “411” or “555-1212”.

9. Toll limitation for qualifying low-income consumers:

An ETC must offer either “toll control” or “toll blocking” services to qualifying Lifeline customers at no charge. The FCC no longer requires an ETC to provide both services as part of the toll limitation service required under 47 C.F.R § 54.101(a)(9).¹⁹ In particular, all ETCs must provide toll blocking, which allows customers to block the completion of outgoing toll calls.²⁰ ALLTEL currently has no Lifeline customers because only carriers designated as an ETC can participate in Lifeline.²¹ Once designated as an ETC, ALLTEL will participate in Lifeline as required, and will provide toll blocking capability in satisfaction of the FCC’s requirement. ALLTEL currently has the technology to provide toll blocking and will implement this technology to provide the service at no charge to its Lifeline customers.

C. ALLTEL Will Offer Supported Services Through its Own Facilities.

The Commission’s *Section 214(e)(6) Public Notice* established that a carrier requesting designation must certify that it offers the supported services “either using its own facilities or a combination of its own facilities and resale of another carrier’s services.”²² ALLTEL will provide the supported services using its existing network infrastructure, which includes the same

¹⁸ *Id.* at 8821.

¹⁹ *See Federal-State Joint Board Universal Service*, Fourth Order on Reconsideration, 13 FCC Rcd 5318, 5388 (1997).

²⁰ *First Report and Order*, 12 FCC Rcd at 8821-22.

²¹ *See* 47 C.F.R. §§ 54-400-415.

²² *Section 214 Public(e)(6) Public Notice*, 12 FCC Rcd at 22949.

antenna, cell-site, tower, trunking, mobile switching, and interconnection facilities used by the company to serve its existing cellular service customers. *See also* Exhibit A hereto.

D. ALLTEL Will Advertise its Universal Service Offering.

ALLTEL will advertise the availability of the supported services and the corresponding charges in a manner that fully informs the general public within the designated service area of both the available services and the corresponding charges.²³ ALLTEL currently advertises its wireless services through several different media. ALLTEL will use the same media of general distribution used for its cellular service to advertise its universal service offerings throughout the service areas designated by the Commission. ALLTEL will comply with all form and content requirements, if any, promulgated by the Commission in the future and required of all designated ETCs.

III. ALLTEL Requests Designation Throughout Its Licensed Service Area in the State of North Carolina.

ALLTEL, in its capacity as a provider of cellular services, is not a “rural telephone company” as that term is defined by 47 U.S.C. § 153(37). Accordingly, ALLTEL is required to describe the geographic area in which it requests designation.²⁴ ALLTEL requests ETC designation for its entire licensed service area in the State of North Carolina as depicted on the map attached hereto as Exhibit C.

Pursuant to Section 54.207 of the Commission’s rules, a “service area” is a “geographic area established by a state commission for the purpose of determining universal service obligations and support mechanisms.”²⁵ For non-rural service areas, there are no restrictions on how a state commission defines the “service area” for purposes of designating a competitive

²³ *Id.*

²⁴ *Id.*

²⁵ 47 C.F.R. § 54.207(a).

ETC. Therefore, the Commission may designate ALLTEL as an ETC in the non-rural wire centers set forth at Exhibit D attached hereto. To the extent ALLTEL serves only a portion of a wire center, ALLTEL is not requesting ETC status for that wire center.

In an area served by a rural telephone company, the Commission's rules define "service area" to mean the LEC study area unless a different definition of service area is established for such company.²⁶ The rural LEC study areas that ALLTEL serves in their entirety are set forth in Exhibit E attached hereto. The Commission may designate ALLTEL as an ETC in those areas upon a finding that such designation would be in the public interest (see Section V below).²⁷

In situations where ALLTEL is not licensed to serve a rural ILEC study area in its entirety, ALLTEL may be designated as an ETC once the Commission redefines the ILEC's service area in accordance with Commission rule 54.207(c)(1). As set forth in Section IV below, ALLTEL requests a redefinition of those rural ILEC study areas that it partially serves on a wire center by wire center basis. Where ALLTEL is not licensed to serve a rural ILEC study area in its entirety, ALLTEL requests that it be designated as an ETC only in those wire centers in which it provides service in its entirety. The wire centers that are not served or are only partially served within the Rural LECs' study areas are identified in Exhibit F.²⁸ Accordingly, where ALLTEL serves only a portion of a wire center, it does not request ETC status for that wire center.

²⁶ See 47 C.F.R. § 54.207(b); see also *Multi-Association Group (MAG) Plan for Regulation of Interstate Services of Non-Price Cap Incumbent Local Exchange Carriers and Interexchange Carriers*, Fourteenth Report and Order, Twenty-Second Order on Reconsideration, and Further Notice of Proposed Rulemaking, 16 FCC Rcd 11244 (2001) ("*MAG Fourteenth Report and Order*").

²⁷ 47 U.S.C. § 214(e)(2).

²⁸ In column five of Exhibit F, "Yes" indicates that ALLTEL serves the applicable wire center in its entirety, and "No" indicates that ALLTEL either does not serve or only partially serves the applicable wire center.

The NCUC does not assert jurisdiction over CMRS carriers, including the designation of a cellular carrier as an ETC; therefore, the Commission has jurisdiction to consider a redefinition of the ILEC service areas in North Carolina for ETC purposes, as set forth in Section IV below.

IV. ALLTEL Requests that Affected Rural LEC Service Areas be Redefined.

Pursuant to 47 C.F.R. § 54.207(c)(1), a petition to redefine a rural LEC service area must contain, “an analysis that takes into account the recommendations of any Federal-State Joint Board convened to provide recommendations with respect to the definition of a service area served by a rural telephone company.” ALLTEL requests that the Commission redefine the service areas of ALLTEL Carolina, Inc., Central Telephone Company and Surry Telephone Membership Corporation (“Rural LECs”) on a wire center by wire center basis. ALLTEL serves only portions of the service areas of the Rural LECs. Redefining the affected service areas on a wire center by wire center basis is consistent with prior FCC decisions, will minimize the opportunities and incentives for ALLTEL to engage in deliberate or unintentional cream skimming, and will not harm the Rural LECs.²⁹

The FCC has adopted a plan for disaggregation of rural LEC study areas in its *Fourteenth Report and Order*, noting that such action “achieves a reasonable balance between rural carriers’ needs for flexibility and the Commission’s goal of encouraging competitive entry.”³⁰ In the instant case, reclassifying rural LEC service areas for ETC purposes is necessary in order to facilitate competitive entry.

²⁹ See *Federal-State Joint Board on Universal Service; Cellular South License, Inc., Petition for Designation as an Eligible Telecommunications Carrier Throughout its Licensed Service Area in the State of Alabama*, 17 FCC Rcd 24393, 24407 (WCB 2002). See also, *Federal-State Joint Board on Universal Service; RCC Holdings, Inc., Petition for Designation as an Eligible Telecommunications Carrier Throughout its Licensed Service Area In the State of Alabama*, 17 FCC Rcd 23532, 23548 (WCB 2002).

³⁰ *MAG Fourteenth Report and Order*, 16 FCC Rcd at 11302.

In the *Recommended Decision* that laid the foundation for the Commission's *First Report and Order*, the Federal-State Joint Board enumerated three factors to be considered when redefining a rural service area.³¹ First, the Joint Board advised the state commission to consider whether the competitive carrier is attempting to "cream skim" by only proposing to serve the lowest cost exchanges.³² As a wireless carrier, ALLTEL is restricted to providing service in those areas where it is licensed by the Commission. ALLTEL is not picking and choosing the lowest cost exchanges, but, rather, ALLTEL has based its requested ETC area solely on the basis of its licensed service area, which it proposes to serve in its entirety. Second, the Joint Board urged the Commission to consider the rural carrier's special status under the Telecommunications Act of 1996.³³ In deciding whether to award ETC status to ALLTEL, the Commission will weigh numerous factors and will consider the manner in which the public interest is affected by an award of ETC status pursuant to 47 C.F.R. § 214(e)(2). Congress mandated this public interest analysis in order to protect the special status of rural carriers in the same way it established special considerations for rural carriers with regard to interconnection, unbundling, and resale requirements.³⁴ Accordingly, if the Commission finds that ALLTEL's ETC designation is in the public interest, it thereby will have duly recognized the special status of the Rural LECs for purposes of determining whether ALLTEL's service area designation should be adopted for federal universal service funding purposes. No action in this proceeding will affect or prejudice any future action this Commission may take with respect to the Rural LECs' status as rural telephone companies.

³¹ *Federal-State Joint Board on Universal Service*, Recommended Decision, 12 FCC Rcd 87 (1996).

³² *Id.* at 179-80.

³³ *Id.* at 180.

³⁴ *Id.*

Finally, the Federal-State Joint Board recommended that the FCC consider the administrative burden a rural LEC would face by calculating its costs on a basis other than its entire study area.³⁵ In the instant case, ALLTEL is proposing to redefine rural LEC service areas solely for ETC designation purposes. Redefining service areas for ETC purposes will in no way impact the way the affected Rural LECs calculate their costs, but it is solely to determine the LEC area in which ALLTEL is to be designated as an ETC. LECs may disaggregate their study areas to reallocate high cost loop support payments pursuant to the FCC's Fourteenth Report and Order.³⁶ Accordingly, redefining rural LEC service areas as proposed herein will not impose any additional burdens on the Rural LECs.

V. Granting This Application Will Serve the Public Interest.

ALLTEL is seeking designation in areas served by rural LECs. The Commission must therefore consider the public interest factors supporting ALLTEL's application prior to designating it as an ETC pursuant to 47 U.S.C. § 214(e)(6). Designating ALLTEL as an ETC in the State of North Carolina would further the public interest by bringing the benefits of additional competition and service offerings to an underserved marketplace.

The FCC has recognized the advantages wireless carriers can bring to the universal service program. In particular, the Commission has found that "imposing additional burdens on wireless entrants would be particularly harmful to competition in rural areas, where wireless carriers could potentially offer service at much lower costs than traditional wireline service."³⁷ One of the principal goals of the Telecommunications Act of 1996 was to "promote competition

³⁵ *Id.*

³⁶ *MAG Fourteenth Report and Order, Multi-Association Group (MAG) Plan for Regulation of Interstate Services of Non-Price Cap Incumbent Local Exchange Carriers and Interexchange Carriers Federal-State Joint Board on Universal Service, Second Report and Order and Further Notice of Proposed Rulemaking*, 16 FCC Rcd 19613 (2001).

³⁷ *First Report and Order*, 12 FCC Rcd at 8776, 8881-82.

and reduce regulation in order to secure lower prices and higher quality services for American telecommunications consumers and encourage the rapid deployment of new telecommunications technologies.”³⁸ Competition drives down prices and promotes the development of advanced communications as carriers vie for a consumer’s business.

In its decision to designate Western Wireless as an ETC in the State of Wyoming, the Commission observed, “Designation of competitive ETCs promotes competition and benefits consumers in rural and high-cost areas by increasing customer choice, innovative services, and new technologies.”³⁹ Similarly, in designating the cellular carrier Smith Bagley, Inc. as an ETC in Arizona, the state commission found competitive entry to provide additional consumer choice and a potential solution to “health and safety risks associated with geographic isolation.”⁴⁰ More recently, in designating Guam Cellular and Paging, Inc. as an ETC in the territory of Guam, the Commission found that the designation of Guamcell as an ETC in the area served by the rural telephone company in Guam would serve the public interest “by promoting competition and the provision of new technologies to consumers in high cost and rural areas in Guam.”⁴¹ Designating ALLTEL as an ETC will bring to consumers the benefits of competition, including increased choices, higher quality service, health and safety benefits, and lower rates. In a competitive market, rural consumers will be able to choose the services that best meet their communications needs. With a choice of service providers, the consumer is able to select a provider based on service quality, service availability, and rates.

³⁸ Telecommunications Act of 1996, Public Law, 104-104, 100 Stat. 56 (1996).

³⁹ *Western Wireless Corporation*, 16 FCC Rcd 48, 55(2000) (“*Wyoming Order*”), *aff’d*, 16 FCC Rcd 19144, 19151 (2001).

⁴⁰ *Smith Bagley, Inc.*, Order, Decision No. 63269, Docket No. T-02556A-99-0207 at 12 (Arizona, December 15, 2001).

⁴¹ *Guam Cellular and Paging, Inc.*, 17 FCC Rcd 1502 (2002).

The public interest standard under Section 214(e)(2) for designating ETCs in territories served by rural LECs emphasizes competition and consumer benefits, not protection of the incumbent LEC. In considering the impact that Western Wireless' ETC designation would have on rural telephone companies, the Commission said, "we believe that competition may provide incentives to the incumbent to implement new operating efficiencies, lower prices, and offer better service to its customers."⁴² Further, Congress has mandated that universal service provisions be "competitively neutral" and "necessary to preserve and advance universal service."⁴³ Designating ALLTEL as an ETC would give those in covered rural areas in the State of North Carolina another choice for advanced telecommunications options.

ALLTEL will implement a variety of service offerings and rate plans that will be both competitive with incumbent service offerings and affordable to North Carolina consumers. ALLTEL commits that its local calling area will be at least as large as that of each of the incumbent Rural LECs. Indeed, ALLTEL believes that in all cases its local calling area will be substantially larger, thereby affording consumers the opportunity to reduce the intra-LATA toll charge typically associated with the service of rural LECs.

ALLTEL commits to use available federal high cost support for its intended purposes – the construction, maintenance and upgrading of facilities serving the rural areas for which support is intended. ALLTEL can conceive of no business plan for remote rural areas that can support the deployment of a wireless network sufficiently robust to compete on a level playing field with incumbent LECs in the absence of the subsidy high cost support provides. Indeed, without the high cost program, it is doubtful that many rural areas would have wireline telephone service even today. Provision of high cost support to ALLTEL will begin to level the playing

⁴² *Id.*

⁴³ *See* 47 U.S.C. § 253(b).

field with the incumbent LECs and make available, possibly for the first time, a potential competitor for primary telephone service in remote areas of North Carolina.

VI. High Cost Certification.

Under Sections 54.313 and 54.314 of the Commission's rules, carriers wishing to obtain high-cost support must either be certified by the appropriate state commission or, where the state commission does not exercise jurisdiction, must self-certify with the FCC and the Universal Service Administration Corporation ("USAC") their compliance with Section 254(e) of the Federal Telecommunications Act of 1996. As explained above, the NCUC does not exercise jurisdiction over CMRS carriers such as ALLTEL. Therefore, in accordance with Section 54.313(b) and 54.314(b), ALLTEL has submitted its high-cost certification with the FCC and USAC. A copy of this certification is attached hereto as Exhibit G.

ALLTEL respectfully requests that the Commission issue a finding that ALLTEL has met the high-cost certification requirement and that ALLTEL is, therefore, entitled to begin receiving high-cost support as of the date it receives a grant of ETC status in order that funding will not be delayed.⁴⁴

VII. Anti-Drug Abuse Certification.

ALLTEL certifies that no party to this petition is subject to a denial of federal benefits, including FCC benefits, pursuant to Section 5301 of the Anti-Drug Abuse Act of 1988, 21 U.S.C. §862. *See* Exhibit H hereto.

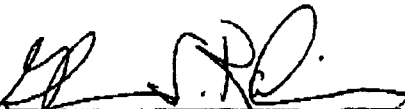
⁴⁴ *See Guam Cellular and Paging, Inc. Petition for Waiver of FCC Rule Section 54.314 of the Commission's Rules and Regulations*, 18 FCC Rcd 7138 (2003).

VIII. Conclusion

ALLTEL respectfully request the Commission to designate it as an ETC on an expedited basis.

Respectfully submitted,

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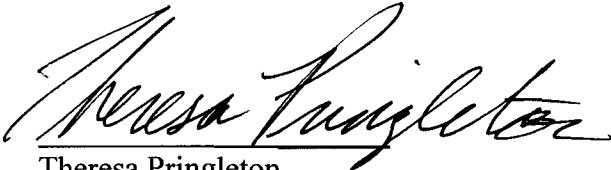
CERTIFICATE OF SERVICE

I, Theresa Pringleton, do hereby certify that I have on this 26th day of August, 2003, had copies of the foregoing **APPLICATION OF ALLTEL COMMUNICATIONS, INC. FOR DESIGNATION AS AN ELIGIBLE TELECOMMUNICATIONS CARRIER IN THE STATE OF NORTH CAROLINA** delivered to the following via First Class Mail or electronic mail(*), as indicated:

Sheryl Todd (3 copies)
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